

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:

**ALLUVIAL INVESTMENT GROUP LLC
DEMETRIUS ANTOINE BLANKENSHIP**

RESPONDENTS

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**ADMINISTRATIVE ORDER
NO. CD-2019-0001**

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("ACT"), upon due consideration of the subject matter hereof, having confirmed information of the offer for sale of securities, into, within or from the state of Alabama, has determined as follows:

RESPONDENTS

1. **ALLUVIAL INVESTMENT GROUP, LLC** ("ALLUVIAL"), at all times relevant, was an Alabama limited liability company organized on January 24, 2018, with a registered office street address of 9337 Turnberry Park Drive, Montgomery, AL, 36117.

2. **DEMETRIUS ANTOINE BLANKENSHIP** ("BLANKENSHIP"), at all times relevant, was an Alabama resident, initial Registered Agent and CEO of **ALLUVIAL**, with a business address of 9337 Turnberry Park Drive, Montgomery, AL 36117.

STATEMENT OF FACTS

3. In November 2018, the Commission received information that a Georgia Resident was solicited by **BLANKENSHIP** to invest \$5,000 in **ALLUVIAL**. In October 2017, the Georgia Resident was visiting Mississippi when he met **BLANKENSHIP**. During a conversation, **BLANKENSHIP** stated he was the owner and CEO of **ALLUVIAL**. **BLANKENSHIP** subsequently told the Georgia resident that in exchange for \$5,000 investment, the Georgia Resident would get a return of ten \$1,000 monthly payments. After listening to

BLANKENSHIP's ALLUVIAL investment presentation, the Georgia Resident made an initial cash investment of \$1,000 that he personally paid to **BLANKENSHIP** while in Mississippi.

4. Subsequently, after making the initial \$1,000 investment, **BLANKENSHIP** and the Georgia Resident met again in Georgia. During this meeting, the Georgia Resident paid **BLANKENSHIP** an additional \$4,000 cash investment to complete his \$5,000 investment with **BLANKENSHIP** and **ALLUVIAL**.

5. After receiving the \$4,000 investment, **BLANKENSHIP** gave the Georgia Resident a notarized **ALLUVIAL** Promissory Note, dated October 20, 2017, signed by **BLANKENSHIP**. The Promissory Note detailed terms of repayment **BLANKENSHIP** would make to the Georgia Resident. The repayment terms were stated as: "The amount owed under this Promissory Note will be repaid in equal installments of \$1,000.00 made every month. The first payment will be due on November 20, 2017 and will end on August 20, 2018. All payments shall be first applied to interest and the balance to principal."

6. Since making the \$5,000 investment with **ALLUVIAL**, the Georgia Resident has not received any payments of balance or interest as described by **BLANKENSHIP** in the notarized **ALLUVIAL** Promissory Note.

7. Subsequently, the Commission contacted a bank located in Opelika, Alabama, where the Promissory Note was signed and notarized. The bank notary viewed the Promissory Note and verified his signature as true and correct. The notary transaction was also verified by an entry made into a business journal of the bank made on October 20, 2017. These events occurred in the State of Alabama.

8. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on January 9, 2019, and disclosed no record of registration, nor any perfected exemption from registration for the securities offered, or caused to be offered, by **BLANKENSHIP** or **ALLUVIAL**.

9. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on January 9, 2019 and disclosed no record of registration for

BLANKENSHIP or **ALLUVIAL** as a broker-dealer, broker-dealer agent, investment advisor, or investment advisor representative in the state of Alabama.

CONCLUSIONS OF LAW

10. Section 8-6-2(10), Code of Alabama 1975, includes any investment contract in the definition of a security. The investment offered and/or sold by **RESPONDENTS** designated as “Promissory Notes” are investment contracts and therefore are considered a security as defined in the Act.

11. Section 8-6-2(2), Code of Alabama 1975, the definition of “Agent” includes any individual who represents a dealer or issuer in effecting or attempting to effect sales of securities. **BLANKENSHIP** acted as an agent of **ALLUVIAL** when effecting the sale of a security, to wit: the Promissory Note, issued by **ALLUVIAL**.

12. Pursuant to Section 8-6-3(a), Code of Alabama 1975, it is unlawful for any person to transact business in this state as a dealer or agent for securities unless they are registered under the Act. By offering and selling securities issued by **ALLUVIAL**, **BLANKENSHIP** acted as an agent in the state of Alabama while not being registered with the Commission in violation of the Act.

13. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful for any person to offer or sell any security in this state unless it is registered or exempt from registration under Section 8-6-10; or the transaction is exempt under Section 8-6-11. The security offered and/or sold by **RESPONDENTS**, to wit: the Promissory Note, was neither registered nor subject to a perfected exemption from registration in Alabama at the time of solicitation or sale and was offered and sold in violation of the Act.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that may be available to it under the Act.

This Order is appropriate in the public interest for the protection of investors and is consistent with the purposes of the Alabama Securities Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the **RESPONDENTS** to make a timely request for hearing, or default of the **RESPONDENTS**, it is the intention of the Commission to impose sanctions upon the **RESPONDENTS**. Such sanctions may include, inter alia, an administrative assessment imposed on **RESPONDENTS**, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against **RESPONDENTS**, and a permanent order to bar **RESPONDENTS** from participation in any securities related industry in the state of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that **RESPONDENTS** immediately **CEASE AND DESIST** from further offers or sales of any security into, within, or from the state of Alabama.

Entered at Montgomery, AL this 23rd day of January, 2019.



ALABAMA SECURITIES COMMISSION
445 Dexter Ave, Suite 1200
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(334) 242-2984
BY:

A handwritten signature in black ink, appearing to read "Joseph P. Borg", is written over a horizontal line. The signature is stylized with a large, sweeping initial "J".

JOSEPH P. BORG
Director